OVERVIEW OF CALFED PHASE II PROCESS

The attached flow chart illustrates the key steps in the Phase II CALFED process to develop a Bay-Delta solution. The overall purpose of Phase II is to refine the alternatives that were developed in Phase I, add detail to a level which allows them to be evaluated or analyzed as part of the CEQA/NEPA process, and conduct pre-feasibility studies to facilitate a smooth transition to Phase III. Each step in the process is iterative, in that, work products will be reviewed and revised by the public and CALFED at least once, and possibly several times.

There are three parts to Phase II:

- Alternative Refinement that adds details and specifics;
- Alternative Evaluation which evaluates impacts and prepares environmental documents under CEQA/NEPA; and
- Implementation planning to develop the assurances, financing plans and technical pre-feasibility studies required to move into Phase III.

The Alternative Refinement portion of Phase II has three steps. **Step One** is to refine components, remembering that each alternative consists of 5 components (storage and conveyance, ecosystem restoration, water supply, water quality, and levee system integrity.) For each component, the idea is to prioritize actions with respect to technical and cost effectiveness, add detail (ranges of size, locations, general configuration), evaluate the component against objectives and solution principles, and further define the ranges of implementation being considered. The product of Step One will be a more detailed description of the four common components and the storage and conveyance variable component.

In **Step Two**, the objective is to detail the interaction among components. Up to this point, the components have been developed and refined primarily on an individual basis. Step Two will identify and evaluate opportunities for securing additional efficiencies from the programs. For example, one component might have an action focused on creating habitat; while another might have actions to modify and strengthen levees. The two actions may be able to be combined to improve overall cost effectiveness. Alternatives will again be tested against the objectives and solution principles and the interaction of components examined in that context. The product of Step Two is a description of each alternative -- a combination of common and variable components working together in a coordinated fashion.

Once alternatives have been described in detail in Step Two, the next step is to describe how they would operate and to assess their benefits (against objectives and solution principles) and costs. We expect these activities in **Step Three** to be especially iterative. A number of individual analyses will be conducted in Step Three. For example, hydrographs will show flows, maps will show project features, and costs estimates will forecast costs. The product of Step Three will be a description of the operations, benefits, and costs of alternative programs in detail sufficient to differentiate them and to permit the impacts of each to be analyzed.

Step Four begins the Alternative Evaluation portion of Phase II. In this step, the beneficial and detrimental environmental effects of the alternatives will be identified. Simultaneously, cost/benefit analysis will be evaluated for each of the alternatives. Additionally, the alternatives will again be evaluated against the objective and solution principles. Based on all of these evaluations, the draft preferred alternative will be identified as the product of Step Four.

In **Step Five** the Draft Programmatic EIR/EIS, describing the draft alternatives and the environmental impacts identified in Step Four, will be prepared. Once the formal document is produced, it will go out for public comment, representing yet another round of public review. Comments will be carefully recorded for consideration in preparing the Final EIS/EIR. The product of Step Five is the Draft EIR/EIS.

Finally, in **Step Six**, a final EIS/EIR is prepared which will incorporate the comments received on the Draft EIR/EIS and describe the preferred alternative in detail.

Throughout Phase III, the CALFED Program will work continuously on developing and refining an **implementation strategy**. The implementation strategy consists of preliminary assurances, financial analyses, and pre-feasibility studies. Here it is important to describe the purpose of pre-feasibility studies.

The preferred alternative identified at the end of Phase II will consist of a number of generally described programs. For example, the Ecosystem Restoration Program may include the following goal: "improve fish passage on tributary streams." Pre-feasibility analysis may identify for a specific stream, the locations, structural modification, and improvements that could be involved. Preliminary facility planning and design will support detailed project financing and permitting requirements. The resulting project description, financing plan, and assurance requirements will support project level environmental analysis in Phase III. A project level environmental review will be completed for all projects.

In summary, the objective of Phase II is to identify a preferred program, along with the information required to begin implementing individual projects in Phase III.